

## Message Text

CONFIDENTIAL

PAGE 01 QUITO 00192 102048Z  
ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 L-03 SS-15 SP-02  
NSC-05 CIAE-00 INR-07 NSAE-00 OES-06 XMB-02 OPIC-03  
AID-05 PA-01 PRS-01 USIA-06 /074 W  
-----102113Z 127305 /71

R 101952Z JAN 77  
FM AMEMBASSY QUITO  
TO SECSTATE WASHDC 2809

C O N F I D E N T I A L QUITO 0192

E.O. 11652: GDS  
TAGS: ENRG, EINV, PFOR, EC  
SUBJECT: GULF-GOE NEGOTIATIONS: DELAY IN SIGNING OF AGREEMENT

1. MINISTER OF FINANCES SANTIAGO SEVILLA ASSURED AMBASSADOR  
EVENING OF JANUARY 7 THAT HE WOULD TRY TO EXTEND THE LETTERS  
OF CREDIT FOR SIX MONTHS (UNTIL JULY 15, 1978) AND THAT HE  
WOULD TAKE AN ACTIVE ROLE IN DRAWING UP THE AUDIT PROCEDURES  
TO AVOID UNDUE DELAY IN COMPLETION OF THE AUDIT.

2. LOCAL GULF MANAGER JACK O'BRIEN TOLD EMBASSY JANUARY 10  
THAT THE TREASURER OF ECUADOR, HUGO AMORES, HAD INDEED AGREED  
TO EXTEND THE LETTERS OF CREDIT FOR SIX MONTHS. O'BRIEN  
SAID GULF IS NOT ENTIRELY SATISFIED WITH THIS EXTENSION BUT  
BELIEVES IT HAS RECEIVED THE BEST TERMS POSSIBLE UNDER THE  
CIRCUMSTANCES. AMORES ALSO TOLD O'BRIEN THAT GOE WILL NEED  
SEVERAL DAYS TO ESTABLISH A GUARANTEE ACCOUNT WITH CITIBANK FOR  
THE TRANSFER OF \$82.1 MILLION TO GULF.

3. MINISTER OF NATURAL RESOURCES VARGAS ALSO INFORMED O'BRIEN  
MORNING OF JANUARY 10 THAT THE GOE HAD MADE SOME MINOR  
"NON-SUBSTANTIVE" CHANGES IN THE DRAFT AGREEMENT. O'BRIEN  
HAS NOT YET SEEN A COPY OF THE AMENDED AGREEMENT.

4. GULF LOCAL ATTORNEYS HAVE DETERMINED THAT THE DRAFT  
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DECREE AUTHORIZING THE AGREEMENT IS UNUSUAL BUT LEGAL  
UNDER ECUADOREAN LAW.

5. O'BRIEN SAID THAT RESOLUTION OF THESE PROCEDURAL  
QUESTIONS MAY DELAY THE SIGNING OF THE AGREEMENT FOR  
SEVERAL DAYS.  
BLOOMFIELD

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, AGREEMENT DRAFT, NATIONALIZATION, NEGOTIATIONS, INVESTMENT GUARANTEES  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977QUITO00192  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Message ID:** 08f1b6db-c288-dd11-92da-001cc4696bcc  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
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**Subject:** GULF-GOE NEGOTIATIONS: DELAY IN SIGNING OF AGREEMENT  
**TAGS:** ENRG, EINV, PFOR, EC, US, GULF OIL CORP, (O'BRIEN, JACK), (AMORES, HUGO),  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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